

## **JET Frequently Asked Questions**

*How will the initiative be funded?*

- The proposal is budget neutral. Additional investments in targeted assessments, training and education, and post-employment services will be offset by savings from increased efficiencies and a reduction in the number of welfare recipients that cycle on and off the system.

*Will the initiative increase taxes?*

- No.

*How can we afford this program with our continued budget shortfalls?*

- The program is budget neutral. While the proposed changes to Work First may require some investments upfront, they will be offset by savings from increased efficiencies and a reduction in the number of welfare recipients that cycle on and off the system.
- The proposed changes will streamline the use of existing resources through:
  - Jointly-developed local/regional plans for delivery of employment and training services.
  - Co-location of local Department of Human Services and Michigan Works! Agencies.
  - Coordinated employment & training funding streams.
  - Shared electronic screening tools and self-sufficiency plans.
  - A streamlined orientation approach.

*How will this affect funding for other projects?*

- It won't.

*Why is this initiative a smart move for Michigan?*

- It is an investment in the long-term growth and prosperity of our workforce (i.e., human capital) and our economy. It establishes a strong connection between workforce development (i.e., education, training, and career advancement) and economic/community development.
- It will reduce the number of families on the welfare rolls by helping them become permanently attached to the labor force.
- The proposed changes are well-aligned with Governor Granholm's current efforts to promote economic development and increase jobs. The plan moves away from the current system in which individuals cycle on and off the system and instead helps clients achieve

permanent workforce attachment through continued education and work supports. This approach has long-term benefits in terms of economic growth and reducing poverty, resulting in a reduction in public welfare dependency. The plan also compliments state efforts to support Regional Skills Alliances in that it supports employer demand for education and training.

*How can we know this will work in Michigan?*

- The current system is not working. Nearly 50 percent of cash assistance cases closed for at least two months are reopened because the person was unable to find or keep a job that would allow them to become self-sufficient and stay off the welfare rolls; 19 percent of people referred to Work First in 1997 were referred more than five times.
- Michigan is already devoting resources to transitioning welfare recipients into jobs but we are not doing enough. Reshaping Work First is an opportunity to streamline currently duplicative efforts by the departments of Labor & Economic Growth and Human Services and to direct these resources at more sustainable ends (i.e., individual job retention and advancement leads to improvements in individuals' welfare, employer satisfaction, economic/community growth, and reduced program costs).
- A number of Michigan employers that are already engaged in employee retention and advancement efforts (e.g., Cascade Engineering, The SOURCE employers, Whirlpool, Valassis, Donnelly Corp., etc) have documented positive returns.
- Similarly, there are a number of Michigan examples in which employer-sponsored work-supports are aiding job retention by removing work and life barriers (e.g., Cascade Engineering, The SOURCE employers, etc.). At Cascade Engineering, the job retention rate is 96 percent, in contrast to the 50 percent rate achieved by Work First.